

fices and for fixing the time for the holding thereof, providing that special elections shall be ordered to fill vacancies in certain offices, etc. and declaring an emergency."

Have had the same under consideration and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed.

POAGE.

Committee Room,  
Austin, Texas, Jan. 11, 1933.  
Hon. Edgar E. Witt, President of the Senate.

Sir: We, your Committee on Finance, to whom was referred

S. B. No. 2, A Bill to be entitled "An Act appropriating the sum of two hundred thousand (\$200,000.00) dollars, or so much thereof as may be necessary, payable out of the General Revenue and not otherwise appropriated, to pay the mileage of members, their per diem, and to pay the salaries and per diem of officers and employees of the Forty-third Legislature of the State of Texas; and declaring an emergency."

Have had the same under consideration and I am instructed to report it back to the Senate with the recommendation that it do pass and be not printed.

HOLBROOK, Chairman.

Committee Room,  
Austin, Texas, Jan. 11, 1933.  
Hon. Edgar E. Witt, President of the Senate.

Sir: We, your Committee on Finance, to whom was referred

S. B. No. 3, A Bill to be entitled "An Act making an appropriation of the sum of fifty thousand dollars (\$50,000.00), or so much thereof as may be necessary, out of the general revenue of the State of Texas, to pay the contingent expenses of the Regular Session of the State of Texas, providing how accounts may be approved and declaring an emergency."

Have had the same under consideration and I am instructed to report it back to the Senate with the recommendation that it do pass and be not printed.

HOLBROOK, Chairman.

## SECOND DAY.

Senate Chamber,  
Austin, Texas,  
January 12, 1933.

The Senate met at 10 o'clock a. m., pursuant to adjournment, and was called to order by President Pro Tem. Walter Woodul.

The roll was called, a quorum being present, the following Senators answering to their names:

Beck.	Oneal.
Blackert.	Pace.
Collie.	Parr.
Cousins.	Patton.
DeBerry.	Poage.
Duggan.	Purl.
Fellbaum.	Redditt.
Greer.	Regan.
Holbrook.	Russek.
Hopkins.	Sanderford.
Hornsby.	Stone.
Martin.	Woodruff.
Moore.	Woodul.
Murphy.	Woodward.
Neal.	

Absent—Excused.

Rawlings. Small.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Russek.

## Bills and Resolutions.

By Senator Holbrook:

S. B. No. 10, A bill to be entitled "An Act to amend Article Number 1302 of the Revised Civil Statutes of Texas of 1925, by adding thereto a subdivision to be known as number 95, to read as follows: 'Subdivision 95. Corporations may be created for, or after being created, charters may be amended to include the construction, maintenance, and operation of radio broadcasting equipment and stations.' and declaring an emergency."

Read and referred to Committee on Civil Jurisprudence.

By Senator Holbrook:

S. B. No. 11, A bill to be entitled "An Act to amend Article 1302 of the Revised Civil Statutes of the State of Texas of 1925, so as to provide that private corporations may be formed for any lawful purpose or purposes, except as speci-

fied in this Act; providing that nothing in this Act shall be held to repeal or amend any general law of this State other than Article 1302, pertaining to the creation of corporations, the powers and duties thereof or limitations thereon, or to repeal any law that forbids the creation of any corporation, providing that no corporation created under Article 1302 as herein amended shall include as one of its purposes any purpose for which corporations may be created under the general laws of the State other than Article 1302 as amended; providing that no corporation created under Article 1302 as herein amended shall include as one of its purposes the practice of law or any of the healing arts and sciences or acting as insurance agencies; providing that this act shall not in any way diminish, restrict, or modify the anti-trust laws, and declaring an emergency."

Read and referred to Committee on Civil Jurisprudence.

By Senator Oneal:

S. B. No. 12, A bill to be entitled "An Act to provide that no water improvement district, water control and improvement district, water control and preservation district, levee improvement district, nor drainage district, shall be required to give bond on any appeal or writ of error taken by it, or either of them, in any civil case, repealing all laws in conflict herewith, and declaring an emergency."

Read and referred to Committee on Mining, Irrigation and Drainage.

By Senator Parr:

S. B. No. 13, A bill to be entitled "An Act declaring certain water improvement districts to have, and expressly conferring upon such districts, power to contract loans, borrow money or sell securities under certain conditions; etc., and declaring an emergency."

Read and referred to Committee on Mining, Irrigation and Drainage.

By Senator Hornsby:

S. B. No. 14, A bill to be entitled "An Act to amend Article 2549 of the Revised Civil Statutes of Texas for 1925 so that the requirements and provisions of said article shall remain and be the same as at the present, except that it shall provide

that funds deposited by the tax collector of each county shall bear interest on daily balances 'at the rate, if any, fixed for such deposits of the tax collector by the commissioners court in its order designating such depository or depositories,' instead of 'at the same rate as such depository or depositories have undertaken to pay for the use of county funds,' and declaring an emergency."

Read and referred to Committee on Civil Jurisprudence.

By Senator Murphy:

S. B. No. 15 A bill to be entitled "An Act to repeal Chapter 5, Title 128 of the Revised Statutes of Texas, being Articles 7960 to 7971, inclusive, and declaring an emergency."

Read and referred to Committee on Agricultural Affairs.

#### Senators Excused.

The following Senators were excused for the day on account of important business:

Senator Rawlings, on motion of Senator Fellbaum.

Senator Small, on motion of Senator Holbrook.

#### Senate Simple Resolution No. 7.

Senator Poage sent up the following resolution:

Whereas, It has come to the attention of the Senate of Texas that the United States Tariff Commission has under consideration a proposal to increase the import duties on cotton ties by probably 50 per cent; and

Whereas, Such ties are used exclusively by the growers of the South, and are produced almost entirely abroad, there being only five steel mills in the United States manufacturing this product; and

Whereas, The citizenship of the South will inevitably pay any increased duty that may be imposed, and that such increase can benefit only five plants in the United States; and

Whereas, It is unjust and unfair to levy an added burden on the millions of struggling cotton producers of Texas and the South for the benefit of the few; now, therefore, be it

Resolved by the Senate of Texas, That we as representatives of the greatest cotton producing section of

the world urgently request and recommend that the United States Tariff Commission withhold any action on the aforementioned proposed increased duties on cotton ties, and that such Commission be requested to make no increase whatsoever in such duties. And be it further

Resolved, That a copy of these resolutions be duly authenticated by the Secretary of the Senate and forwarded to the United States Tariff Commission as the official act of the Senate of Texas.

POAGE.

Read and adopted.

#### Messages from the Governor.

Executive Office,  
Austin, Texas, Jan. 11, 1933.  
To the State Senate of Texas, Forty-third Legislature:

The following persons have been appointed to the respective positions since the last session of the Legislature, and I respectfully submit such appointments for confirmation by the Senate:

Hon. J. E. Josey of Houston, to succeed Hon. J. W. Fitzgerald, resigned, as a member of the Board of Regents of the State Teachers College.

Hon. S. B. Carr of Floresville, Texas, as Judge of the 81st Judicial District, succeeding Hon. W. O. Murray, resigned.

Hon. T. J. Thompson of Hillsboro, Texas, as a member of the State Board of Barber Examiners, to succeed Roy Johnston, for the next ensuing statutory term.

Hon. P. A. Martin, district judge of Wichita Falls, and Hon. W. R. Chapman, District Judge of Abilene, Texas, as members of the Advisory Civil Judicial Council, for the next ensuing statutory terms.

As presiding judges of the following Administrative Judicial Districts of Texas:

District 1, Hon. Reuben A. Hall of Marshall, Texas;

District 7, Hon. W. R. Chapman of Abilene, Texas;

District 8, Hon. P. A. Martin of Wichita Falls, Texas.

As members of the State Board of Education for the next ensuing statutory terms, reappointed to succeed themselves, respectively:

Hon. B. F. Tisinger, of Garland, Texas;

Hon. C. H. Chernosky, of Houston, Texas;

Hon. Tom Garrard, of Lubbock, Texas.

Respectfully submitted.

R. S. STERLING, Governor.

Read and referred to Committee on Governor's Nominations.

Executive Office,  
Austin, Texas, Jan. 11, 1933.  
To the Senate of Texas:

I submit herewith for confirmation, appointments of Notaries Public in various counties of the State.

These identical nominations were suggested by the Senate at the last called session of the Legislature, but were not formally appointed.

Respectfully submitted,

R. S. STERLING, Governor.

(Printed after the proceedings of the last day's session.)

Read and referred to Committee on Governor's Nominations.

#### Committee from the House.

The Chair recognized the Door-keeper who introduced a Committee from the House. Mr. Greathouse notified the Senate that the House was now organized and ready for business.

#### Message from the Governor.

Executive Office,  
Austin, Texas, Jan. 11, 1933.  
To the Members of the Forty-third Legislature:

The past two years have been the most turbulent, economically, that the government of Texas has experienced since Reconstruction. Hurlled from the heights of prosperity into the depths of an unprecedented depression, the State has suffered an ordeal unlike anything that ever before befell this fair commonwealth. And, while we all hope and trust that the worst of it is over, a clear view of the situation reveals a rough and rocky road still ahead.

In fact, owing to the ravages of the economic storm and the necessity of repairing and rehabilitating where it has torn down, and solving the new problems it has created, this Forty-third Legislature faces a task and a responsibility of a magnitude and gravity unsurpassed by that of any previous lawmaking body in this State's history. I pray that you

will be given the power and the wisdom to perform that task and meet that responsibility in such way as to hasten the restoration of prosperity to this State.

Like private enterprises, the State government has suffered a sharp and tremendous falling off of revenues. Yet the expenditures are still nearly as high as ever. The changed conditions call for a far-reaching curtailment of public expenditures, to resolve the State's budget back to the shrunken level of values and the people's ability to pay.

That is the primary problem that confronts you ladies and gentlemen of the new Legislature. Great progress toward its solution has been made during the time I served as Chief Executive, as will be recounted. But there is still much to be done in that direction, especially since the electorate of Texas has adopted a constitutional amendment exempting homesteads from State taxes to the extent of \$3,000 assessed valuation. This leaves a hole in the State's income estimated at from five to seven million dollars; a hole which must be filled by either that much additional new revenue or that much reduction in State expenditures, or some of both. My own view is that the retrenchment course is the right one, and for the sake of the public welfare, I sincerely hope that in your wisdom you will adopt it.

In a few days I shall return to private life and take up the task of rebuilding something out of the wreckage wrought in my personal affairs while I have been serving the State. Before I go, I wish to take this occasion to acknowledge the debt of appreciation which I and the whole State owe to the Forty-second Legislature and to the various departments and agencies of State government for their services and their cooperation with the administration in grappling with the troubles which have beset the government since the opening of 1931. But for their work, the condition of the State would now be far worse than it is. Many emergency demands were made upon the Legislature, and it met them all with patriotic spirit and constructive energy. I doubt if a Texas Legislature ever gave a governor more complete cooperation than that gave me.

The Constitution directs that the Governor, at the commencement of each session of the Legislature and at the close of his term of office, shall give the Legislature information, by message, of the condition of the State; recommend such measures as he may deem expedient, and account for all public moneys received and paid out on his order. In endeavoring to carry out these instructions, I shall discuss economic affairs, legislative and departmental activities, recommend legislation deemed desirable, and submit an outline statement of the State's financial condition, together with an accounting of all public moneys received and paid on my order. For detailed information relative to the State's finances, I respectfully refer you to complete biennial reports made by the State Comptroller and the State Auditor and Efficiency Expert.

#### Economies.

First, taking up the economies that have been effected in the various divisions of the government: To meet an indicated deficit of about \$4,500,000 that confronted the State at the outset of my administration, and further deficit promised by diminishing tax collections due to deflating property valuations and business decline, I vetoed \$3,621,897 of the biennial appropriations that were passed at the regular session in 1931 for the support and maintenance of the State government. Later in the year, I recommended a cut in State salaries, which would have reduced the budget approximately \$3,500,000. However, the salary reduction measure failed in the Senate, although I had been assured by a majority of both houses that they would support it.

#### Fee Investigations.

Through the efforts of the Senate Fee Investigating Committee, one of the most pernicious vices in the public service was uprooted. The collection of fraudulent fees by county and district officers had been costing the taxpayers approximately \$500,000 annually. Vigorous prosecutions and some convictions, and revisions in the State's methods of checking up on fee claims, have stopped the frauds and abuses, and the money formerly lost thereby is being saved.

In addition, the fee investigating committee has prepared a program of legislation for introduction at this session, designed to replace the entire fee system with a plan of adequate salaries for the county and district officers. At the same time, the committee's disclosures have focused public attention upon the evils of the fee system, and crystallized public sentiment against it. The measures to be sponsored by the committee on this subject are in accordance with the overwhelming wishes of the people, and it is my hope that they will be enacted, so that this vicious and antiquated scheme of fee grabbing will be stopped forever in Texas.

#### Prison System.

A few years ago the Texas Prison system was widely regarded as a disgrace to the State government. Today the institution is known as a model of efficiency and is a credit to the State. The transformation is due to two things: the management and the working of the merit system of clemencies, inaugurated by my administration.

Under the present management, the prison system has been placed upon a basis of efficiency that has won the acclaim of the entire State. For the first time in known history, the system has been made to raise its own food and feed stuffs, insofar as possible, as well as the money crop of cotton. The packing and canning plant at Central State Farm near Sugarland, put into operation last year, is enabling the system to provide much of its own fresh and cured meats, and canned vegetables. Indeed, the penal system has not only begun to supply its own population with nearly 90 per cent of its food, but has sent some shipments of canned goods to eleemosynary institutions. A shoe factory and other industrial activities that have recently been developed and expanded are making possible other substantial savings.

These industrial reforms reflect a radical transformation in the erstwhile tax-draining prison system. They have resulted already in savings of more than \$500,000 a year to the taxpayers. Given a few years to blossom fully, the new system of efficiency and industry gives prom-

ise of being able to supply most of the food required by all of the 25,000 mouths which the State now feeds in its various institutions, as well as much of the clothing and shoes they wear, and other necessities they use. This should make the penitentiary self-sustaining. Never before has this division of the State government been so successfully administered as it now is. It is greatly to the interest of Texas to continue the present management as long as it can be retained.

There is no doubt that the success of the prison system, both as to economics and discipline, is due largely to the pardon and parole policy under which clemencies are now granted solely on the basis of merit. Under this plan the door of hope is held open to the State prisoner according to his good behavior, his attitude and his industry. Thus the prospect of liberty and the knowledge that only by establishing a good record can he hope for liberty, spurs him to the maximum of work and good conduct. This incentive has reduced escapes and disorder among the prisoners to a minimum, and improved their discipline and morale to a high degree.

Clemencies have been conditioned upon a clear prison record, and upon investigation and favorable recommendation by the Board of Pardons and Paroles; also usually the recommendations of trial court officers. And even then, I have followed the general policy of granting furloughs and paroles rather than outright pardons, in order that the State might retain a hold on the convict and return him to prison in event of misbehavior during the period of time covered by his sentence.

At my instance the prison management has carried out levee work to protect the South Texas river bottom farms against the recurrence of disastrous overflows such as have destroyed their crops and properties on past occasions. This work, and extensive drainage ditching, reclamation and road building, have been encouraged by the administration and the Legislature through appropriations and otherwise. Provision has been made for the erection of several new buildings on the farms and improvements in the penitentiary at Huntsville; all of which has

placed the physical facilities of the system in fairly good condition and rendered its accommodations adequate, at least for a time, to the demands of the growing population.

Along with its industrial work, the prison management has carried on a far-reaching program of education. At the beginning of the present administration, 136 inmates were enrolled in the prison schools. Now there are more than 2,200, or 44 per cent of the entire penal population. This is significant in view of the fact that approximately 41 per cent of the convicts are totally illiterate, unable to read or write. A well-rounded system of education has been developed, with able supervision, with a curriculum including vocational as well as academic courses.

To cite a few miscellaneous figures of interest: In 1930, the total average population was 4998; in 1932 it was 5535. In January, 1931, there were 642 prisoners in jails awaiting transfer to the penitentiary; in January 1932, there were 465; and on January 5, 1933, there were only 161. In 1931, a total of 2153 inmates were discharged, 442 were paroled, 333 furloughed. In 1932, there were 2006 discharges, 1173 paroles, 364 furloughs. For the biennium, 27 pardons.

#### Board of Pardons and Paroles.

The Board of Pardons and Paroles has functioned efficiently during the past two years, carefully and promptly investigating each and every application for clemency, and conscientiously making its recommendations strictly according to the merits of the prisoners and their eligibility under the regulations of the law. The humblest inmate of the penal institution has had the same consideration and the same chance as the most influential, eligibility considered.

My experience with clemencies has convinced me that a change should be made in the system. Clemency applications consume more of the chief executive's time than any other single activity. The great majority of these applications are made by prisoners convicted of minor offenses, who have met the conditions stipulated by the law to make them eligible for paroles; that is, they have

served the prescribed minimum portion of their terms, and have clear records of conduct. The pardon board's investigations usually reveal quite conclusively whether or not the applicant is entitled to consideration; but since the Governor is held responsible for all clemencies he must to a degree duplicate the board's investigation and study of each case.

A competent, responsible board could handle clemencies as well as the chief executive, and the latter would thus be left with much more time to devote to constructive matters of government, and to the various departments for which he is held responsible. The duties of the Governor have been gradually increased during recent years, and probably will continue to grow. Considerable new work was placed upon him by the act of 1931, making him the chief budget officer and requiring him to approve accounts of various departments. He should be relieved of the routine of clemencies.

To that end, I recommend that this legislature submit a proposed constitutional amendment to the people, providing for a Board of Pardons and Paroles of three members, one member to be named by the Governor every two or four years, for a term of six or twelve years; the board to have the power of granting all clemencies except in capital cases, which should be left to the Governor.

I suggest further that this board be stationed at the Huntsville penitentiary, so that it will be convenient to examine prisoners when desired, and more accessible to those who wish to appear before the board in behalf of prisoners seeking clemency.

#### Eleemosynary Institutions.

Through the exercise of good business practice by the Board of Control in making purchases and in supervision, and the efficient management of heads of the eleemosynary institutions, those institutions have turned back into the treasury about \$1,016,000 of the money appropriated for their operation during the past year, and at the same time have taken care of approximately 1000 additional wards. This is a remarkable showing, and reflects very favorably upon the ability of

the Board of Control, which has inaugurated numerous improved business practices.

While cutting down on expenses, the eleemosynary institutions have improved their service and their care of inmates. Several new buildings were provided by the last legislature, and old buildings have been repaired and made fireproof, with the result that the housing congestion has been greatly relieved and accommodations have been provided for mental patients in county jails.

#### Oil Industry.

Early in 1931, the development of the great East Texas oil field brought about a condition of overproduction and waste which threatened to dissipate tens and hundreds of millions of dollars of State mineral resources. The conservation law in effect at that time was broken down by injunctions, and a scramble of production began, which flooded the State with oil, running the price down to nearly nothing and causing untold physical and economic waste. The State's revenues from the 2 per cent gross production tax dropped by millions annually. Landowners of East Texas were losing their birthright; their oil was being drained at prices as low as 10 cents per barrel. These distress prices made it impossible for thousands of independent producers to operate small and marginal wells without loss throughout the State.

This deplorable state of affairs created a widespread insistent demand for a special session of the legislature to reconstruct the conservation law and stabilize the industry. This was done and meanwhile the situation became so grave that property owners of the East Texas area began threatening violence and insurrection unless the heedless waste of their oil was stopped. In petitions and mass meetings thousands of East Texans clamored for protection. In August of 1931, martial law was declared in the four counties affected, and State troops were placed in the field.

Under military control, orderly production was restored, and in time the regulation of the field was returned to the State Railroad Commission under the new conservation statute enacted at the first called

session of the Forty-second Legislature.

Only a few weeks ago, that statute was in effect invalidated by a decision of a three-judge Federal court. It then became apparent that only a law taking economic waste and market demand into consideration could assure adequate and undisturbed conservation. Such a law was passed at the fourth called session in last November, and it is now hoped that the petroleum industry can be maintained upon a more stable basis.

The saving of this great Texas industry from collapse, I am convinced, spared the State a catastrophe which would have shaken the entire financial and industrial structure of the commonwealth. And this in addition to actual known savings of many millions of dollars in gross production taxes and property taxes, realized from the stabilization of production.

In this connection, I deem it fitting to mention in passing the sweeping health campaign that was made in the East Texas oil field area during the period of martial law in 1931-32, and to pay tribute to the officers and men of the Texas National Guard who initiated the campaign and voluntarily devoted so much of their time and effort to its prosecution. Their efforts undoubtedly averted a disease menace which had threatened to engulf that section.

This administration has exerted efforts toward stamping out the stealing of crude oil at wells, which has grown into a major racket in East Texas. The militiamen gave the local authorities valuable assistance in this behalf, for which public expressions of appreciation were made by grand juries and officials. Also progress was made in the endeavor to stop gasoline tax evasions, which have resulted in State losses estimated as high as \$3,000,000 a year. A long step toward the efficient collection of the gasoline tax was taken in the passage of a bill requiring the first distributor to pay the levy. Under the law, as previously written, the indefinite designation of the tax sources was confusing and conducive to evasion.

#### River Bed Development.

Great benefits from the East Texas oil field have been assured the State,

in the form of royalty from wells drilled in its extensive river bed lands located in the proven territory of that field. I sponsored a bill which was enacted in September of 1931, over determined opposition, creating the State Board of Mineral Development and authorizing the Board to explore and develop the river bed lands for oil, or have the work done by contract, at its discretion. This board, of which the chief executive was designated chairman by the statute, in due time entered into advantageous drilling contracts with various companies whereby the State receives approximately 40 per cent of the royalties. Some 80 wells have already been drilled under the contracts. It is estimated that the State's share of the proceeds of this enterprise, on the basis of present crude prices, will ultimately amount to from three to six million dollars. While the restriction of production exacted by the proration law makes this income slow, nevertheless it is sure and will relieve the taxpayers to the extent of the money realized. Under the law enacted the State will have the privilege of drilling in the beds of any Texas river that may become proven territory in the future through the development of new oil fields. Thus the possible benefits from this law are incalculable.

#### Joint Legislative Committee on Organization and Economy.

The Joint Legislative Committee on Organization and Economy, created by concurrent resolution of the Forty-second Legislature, has completed a survey of the departments and institutions of State government, assisted and guided by Grifenhagen and Associates, a Chicago firm of experts.

The recommendations made by the committee in its report on organization and general administration are in the main disappointing. The changes it proposed would tend to concentrate the activities of the State too much in the hands of the Governor, and for that reason I do not believe the report prepared by these experts from the North will be acceptable to the people of this democratic State.

While advocating a general upheaval that would throw the State into chaos, they have failed to show that the reorganization would result

in any savings. Under the suggested program many functions of government would be shuffled and shifted around into new departments with changed names, in place of those that have been functioning for many years, yet without materially decreasing the number of agencies.

Some of the recommended changes meet with my approval, but in the program as a whole, I can see no hope of improving the State government. For instance, to mention only one of numerous proposals, which I regard as very unwise, it advocates putting one administrative office in charge of vast affairs of the Highway Department, and doing away with the Highway Commissioners, who were selected by the Governor with the advice and consent of the Senate, from different sections of the State. To my mind that would be disastrous to the Highway Department. Considering the splendid accomplishments of the department, controlled by three efficient commissioners, it occurs to me that it would be folly to attempt to experiment with such radical changes.

#### Redistricting.

At the instance of members of the Legislature, I submitted the matter of reapportioning the judicial districts, with the view to eliminating a number of districts which the State could as well do without, and effecting a more equitable division of territory and population among the remaining districts. This measure failed of passage, but a legislative committee was designated to make a study of the subject and recommend a plan of judicial redistricting to the new Legislature. The committee's recommendations will be presented for your consideration, and will afford a means of saving the State a large amount of money annually, and at the same time improving the judicial system.

It will be recalled that the last legislature also failed to reapportion the State as to congressional districts and legislative districts, and those problems remain for this Legislature's disposition.

#### Road Bond Assumption.

I have mentioned the county road bond assumption law. This measure was part of a plan of highway financ-



ing which I had advocated since 1928. The two fundamental features of my program were: (1) That the counties be reimbursed for contributions they had made toward the construction of State designated highways; and be relieved from further responsibility in the financing of State highways; and (2) that the State should finance all future highway construction and maintenance with funds paid by the users of the highways and with Federal aid allotments.

As a means of carrying out that program and completing the highway system as quickly as possible, in order that its economic and social advantages might be made available to this generation, I urged the submission of an amendment to the State constitution which would authorize the legislature to issue State bonds in amounts sufficient to make the county refunds and carry on an adequate schedule of construction. In the Forty-second Legislature the county refund bond proposition and the construction bond proposition were offered separately, and both failed by a very few votes of mustering the two-thirds of the entire Legislature necessary to submit constitutional amendments to the people.

Thereafter a bill was passed seeking to give the counties a part of the gasoline tax revenues. It was vetoed on legal advice that as drawn it was unconstitutional and would not accomplish the ends sought. In the course of time, the demand for tax relief became so acute, due to the business depression that I called an extraordinary session of the Legislature, in September of 1932, for the consideration of county road bond refunds and other emergency relief matters.

I was assured that a bill that would meet the constitutional test could be framed, authorizing the State to appropriate one-fourth of the gasoline tax proceeds for the assumption of outstanding county road bonds, the proceeds of which were applied to State highway construction. The bill was enacted and has been put into effect, greatly relieving the burden of taxpayers of counties which have voted and sold such bonds.

While contemplating this legislation, I stated publicly that I still felt

that a constitutional amendment should be adopted, as originally proposed in my plan, to remove all possibility of the bond assumption act's invalidation, and to assure its permanency. I further stated that I would recommend the submission of such an amendment to the Forty-third Legislature, and accordingly I respectfully recommend its initiation by this honorable body.

#### Agriculture.

Another extraordinary manifestation of the general economic chaos developed in the summer of 1931, when a clamor arose throughout the State for a special session of the Legislature to enact a law restricting cotton acreage, as a means of strengthening and stabilizing the prostrate cotton market. Mass meetings of farmers were held throughout Texas, and the executive office was flooded with petitions, letters, telegrams, telephone calls and personal callers, demanding an immediate extra session.

In deference to this popular desire, and upon assurance of support from enough of the lawmakers to pass a cotton control bill and put it into immediate effect, I called a session, and a law was enacted, designed to reduce cotton acreage 50 per cent. Subsequently, this law was tested in court and held to be invalid. At the time of its passage, I publicly expressed doubt that it would have much direct effect upon the price of cotton, but thought it would have a worthwhile persuasive influence upon the farmers in the way of encouraging diversification—raising the food and feed to enable them to "live at home." Despite the legal failure of the act, I believe it has proved worth its cost in the manner mentioned, and by reason of having encouraged a substantial percentage of voluntary acreage reduction.

#### Other Legislation.

Among the other noteworthy products of the Forty-second Legislature and this administration may be mentioned:

Measures to promote soil conservation and prevention of erosion, which will save Texas farmers millions of dollars in soil preservation.

Constitutional amendments exempting homesteads up to the as-

sessed value of \$3,000 from all taxes for State purposes; combining the offices of tax collector and assessor; and others.

The act creating the State Child Welfare Bureau, which affords means of guiding unfortunate children into useful lives, finding good homes for the homeless, and saving the State the expense of their care.

The two acts regulating the operation of commercial motor trucks and busses upon the highways.

The act providing a budget system for State and local governments.

The cigarette tax and increased sulphur tax.

Minimum wage scale for State highway workers.

Laws permitting split tax payments, and releasing interest and penalties due on delinquent taxes.

Emergency legislation making funds of the Reconstruction Finance Corporation available to home owners, improvement districts, and others.

The \$5,000,000 rural aid appropriation.

In addition, numerous laws were passed improving court procedure and effecting various needed reforms in the civil and penal codes.

#### Taxation.

There has been much talk and clamor of the State deficit. But after all, Texas stands high among the States in point of financial condition. Compared to the bonded debts of many others, which cannot be reduced or payments deferred, a small deficit is of minor consequence.

Moreover, it is to be borne in mind that State taxes form the lightest part of the people's burden. It is the load of local imposts that weigh them down. This is said merely as a reminder, and not as an argument for any addition to the State tax demand, for it already is heavier than it need be. The budget should be balanced by a reduction of State expenditures, rather than an increase of revenues. By wise and courageous retrenchment, the cost of State government can be lowered materially without crippling its functions.

At the same time, while opposing any substantial increase in the tax burden, I believe that the present load can be much more equitably distributed so that it will be infinite-

ly easier on the majority of the people, through a revision of the system of taxation.

Taxation of homes, farms, ranches and other property should be discontinued for State purposes. It violates the constitutional mandate that taxes shall be equal and uniform. With a separate board of equalization in each of the 254 counties, valuations for tax purposes vary all the way from 25 per cent up to 90 per cent of the true value of the property. Thus some counties contribute more than their share toward the support of the State government, while others give less than their share. Such inequality is unjustifiable. Moreover, it is grossly unfair to saddle the bulk of taxation upon those whose assets happen to be in physical property, while others more able to pay are exempt from taxation.

The ad valorem tax is the most suitable and feasible method for local purposes. It should be continued as a local tax; but the State should turn to other sources.

I have given considerable study to this subject, and have inquired into the experiences of other states in coping with their fiscal difficulties. Some have adopted the income tax and found it fair and equitable. In others, the consumers' sales tax has proved successful. I doubt that either method would fully supplant the State ad valorem tax in Texas, unless the rate were made unreasonably high.

It occurs to me that a well balanced plan for this State, if it could be worked out practicably, would be a combination system of property taxes for local governments and both a sales tax and an income tax for State purposes, each made only high enough to raise the funds necessary for a frugal administration. The ad valorem levy would make sure that property owners pay their just share of the cost of local government, according to the will of the locality in which they live. The sales tax would compel all people to contribute their bit toward the maintenance of the State government, according to the amount of life's necessities and luxuries they purchase, and as they purchase them. The income tax, scaled so that it would not place an undue burden upon the person of small means who would also have to pay

the sales tax, would equalize the load of those with larger incomes, whose consumption of the things subject to the sales tax is not nearly so much greater than that of the "little man" as is their wealth and ability to pay. The income tax would reach many who now practically escape taxation, though their resources are greater than those of property owners who now bear the main burden of the cost of government.

The State of Mississippi presents a notable instance of recent tax reform and economy. In 1930 that State was staggering under a system whereby real and personal property, owned by 15 per cent of the people, was paying more than 75 per cent of the total State, municipal, county, levee and drainage taxes. Just a year ago the Mississippi legislature met, facing an enormous State deficit. The State government was virtually bankrupt.

"Institutions, officers and employes have exhausted their credit," Governor Sennett Conner told the lawmaking assembly. "The State daily is being penalized on purchases of material and supplies because there are no funds available to pay for same and nobody knows when these obligations will be discharged. In some instances those who have furnished the necessities of life to unfortunate inmates of State institutions have served notice in writing on the Governor of this State that they cannot continue to furnish these supplies without definite assurance of payment by the State of its obligations. Pitiful appeals are coming to my office almost daily from Confederate pensioners, school teachers, and others who are suffering and in need because of the State's failure to pay its debts. The deficit is growing larger and the situation more critical with every succeeding day."

Despite the fact that 21 per cent of the total State appropriations went to the payment of interest and principal of maturing bonds, and were not subject to reduction, the Mississippi Legislature reduced the appropriations by 33 1-3 per cent. At the same session a general sales tax, urged by the Governor, was finally passed over an aggressive organized Statewide opposition, more or less as an experiment. It became known as

the "Emergency Revenue Act of 1932."

Levies averaging 2 per cent were made upon the sales of various products and commodities of businesses and industries, with a \$1200 gross exemption, and deductions for actual freight charges. Violators of the sales tax law, under its terms, were made liable to criminal prosecution as well as civil action.

The results of Mississippi's experiment with the sales tax, and its reduction of expenditures, were summed up by Governor Conner a few months later, in part as follows:

"The budget of the Mississippi State government for the current biennium has been balanced actually and safely. If present economic conditions continue without change, either for better or worse, our current revenues will exceed our current expenditures for this two-year period by a figure that may run as high as \$2,000,000."

We increased the State's income approximately 25 per cent by levying a two per cent retail sales, or consumers' tax, which gives the widest possible tax base. The distribution of the burden of this tax applies not only to the number paying it, which will include all people, but to the load of the tax upon each individual, since the burden is not allowed to accumulate as is the case with the property taxes, but is paid day by day so that the citizen is never in debt to the government, his payments being made in such small amounts as never to become burdensome or unbearable. Up to this time our average citizen has paid .0889 cents sales tax per month, which, it must be confessed, is no great burden to any one. Our State property tax has been reduced more than 20 per cent, and further reductions are expected.

"Receipts from the sales tax have exceeded budget estimates, and there remains no doubt that this tax has met the immediate emergency for which it was adopted. Its success as a fixture in our revenue system will depend largely upon an intelligent administration and the cooperation and good will of the people . . . Although the tax was levied over the most aggressive opposition of certain interests, today it is perhaps the most popular form of taxation in Mississippi, and we hope it may ultimately

work a complete reformation of our tax system."

The 33 1-3 per cent retrenchment, Governor Conner stated, was accomplished without discontinuing or seriously impairing any necessary governmental functions or services. "It was made possible," he said, "because the Legislature, acceding to the request of the Governor, reversed the usual legislative procedure, which had obtained in our State during the past hundred years, of first voting appropriations and then considering ways and means of providing the revenues."

I submit that the Texas legislature must needs make a similar reversal of the traditional practice, which unfortunately is not confined to Mississippi, if our appropriations are to be brought and kept within the State's income.

As for the sales tax, I am firmly convinced that this offers a fair means of equalizing this State's sore tax burden, and balancing our budget. The government of Mississippi has boldly blazed a trail through the wilderness, which the government of Texas might safely follow to stability. I hope that this Legislature will study the plan thoroughly.

#### Board of Education.

The State Board of Education has completed an exhaustive study of State educational affairs, and has rendered a carefully considered report, presenting its findings and recommendations especially as to the financial outlook of the public schools and institutions of higher learning. This report is highly significant, as reflecting the financial condition of our educational system, and suggesting remedial economy measures.

You will receive the Board's report, and should find it very illuminating in your deliberations upon this problem. I believe it points the way toward the intelligent adjustment of our educational finances, and urge your careful study of it.

#### Reconstruction Finance Corporation.

Unemployment relief to the extent of several millions of dollars has been allotted to communities of Texas during the past several

months, by the Reconstruction Finance Corporation. This relief has been distributed through the chief executive, who has been assisted by the managers of the three regional chambers of commerce, and by local relief councils, community chests, chambers of commerce and other civic organizations. These forces have rendered a splendid service in the preparation of the voluminous application papers, in the distribution of the funds, and in other work incident to the endeavor. Without their patriotic cooperation, the accomplishments that have been realized in relieving the destitute would have been impossible. The Reconstruction Finance Corporation is due the thanks of this State for its kindly helpfulness in making available and expediting this relief.

#### County Consolidations.

In seeking ways of retrenching and economizing, the Legislature might well consider the consolidation of some of the 254 counties of this State. Modern progress has removed the need of so many subdivisions of government. A large unnecessary expense could be eliminated by a reduction of the number, and at the same time, the efficiency of government could be improved. Proof of these facts has been conclusively demonstrated by other progressive states that have effected such consolidations in recent years and found the change highly satisfactory. The time has come when Texas should take similar action.

As most of you probably know, the reason for the original parceling of Texas into this multiplicity of counties was the lack of communication facilities. In those early days 30 miles was a good day's journey with horse and buggy or wagon, the best transportation then available, and the counties were made small so that citizens would not have to spend an unreasonable period of time traveling to and from the county seat to transact their governmental business. That was the only valid reason for cutting the State into such a maze of counties, and that reason has long since been removed by improvements of the motor age, whereby one can travel in an hour the distance which once required a full day. Moreover, much of the business that once necessitated personal visits to

the court house can now be transacted in a few moments by telephone.

It is my understanding that legislation will be initiated at this session providing a program of county mergers. I commend this matter to your careful consideration, as offering a means whereby the cost of government may be substantially reduced and its efficiency increased. In numerous instances, counties were made even smaller than was justified by the difficulties of early transportation; some of them are only a third or fourth as large as the average sized county; yet each one requires a full set of county officials and employees, and all the expense of a county government. These little counties should by all means be merged with others, at the earliest possible time.

In this connection, the Legislature should give serious thought to a legislative program that would authorize a large city to consolidate its government with that of the surrounding county, by separate vote of the people of both the city and the county. In some instances the population and wealth of the city is as much as 85 per cent or 90 per cent of the entire county's and it is believed that much duplication of effort and expense could be eliminated without any harmful effects, by the combining of their governments under some plan that would properly safeguard the interests of all concerned.

#### Election Laws.

Most of you doubtless realize the need of reforms to strengthen our election laws. It has been demonstrated that the legal safeguards of our system of selecting public servants are not adequate to prevent miscarriage of the popular will. If the majority of the sovereign people are to rule, we must provide stricter regulation of the voter's qualifications, and a closer supervision of the election processes. If elections are to be left liable to determination by organized fraud, then suffrage is a mockery and democracy a tragic joke.

The absentee voting law is particularly subject to abuse. It should promptly be amended, so as to permit balloting in any box only by those honestly entitled to vote there. Another evil in our system

is that which allows people from other states to vote in Texas without conforming to the same residence requirements that are prescribed for Texas citizens.

Passage of a law requiring all prospective voters to register within a proper time in advance of elections has been urged as a means of insuring the casting of only legal votes. By this method, as practiced in other states that have adopted it successfully, when a person presents himself to vote, his name is checked against the list of registered voters for the precinct, and he is permitted to vote only if his name appears in the list. I commend this plan to your consideration.

In the last analysis, regularity in elections is largely a matter of law enforcement. If all the laws now on the statute books were carried out in letter and in spirit, there would be far fewer votes wrongfully cast and counted. But we know that lax enforcement of any law is a problem most difficult to reach, especially in a case of this sort. So long as we have a system with so many defects and weaknesses, spread out over so large a State and administered by thousands of people recruited from private life for the temporary work of election day in every village, town and city, we can hardly hope for complete purity of the ballot.

There is one means of entirely eliminating the possibility of fraud or irregularity in handling the ballots after they are cast. That is by use of the automatic voting machine. With this instrument the voter simply turns an indicator to the desired candidate or ticket, and when he opens the curtain to leave the machine his vote is indelibly registered. After the balloting is finished, the votes are automatically tabulated and counted, as by a calculating machine, so that the results cannot be altered. There is no possibility of the voter's losing his vote on the machine. Within an hour any precinct thus can make complete returns.

Numerous progressive cities, counties and states throughout the country have adopted the voting machine and found it highly satisfactory in simplifying and speeding elections, and doing away with fraud and error. I am informed that one-fifth of the votes in the national election

of last November were cast on them.

The only argument that can be advanced against the voting machine is that it is expensive. However, experience has demonstrated that in a comparatively few years the instrument pays for itself in savings on clerical hire, supplies, etc. Thirty-two representative cities, recently queried, gave from three to ten years as the time necessary for a machine to pay itself out.

Eventually I believe we shall come to the voting machine, and so the longer we delay, the longer we will deprive ourselves of its benefits. I suggest that the Legislature, while studying the problem of election reforms, inquire into the merits of this mechanism, and into the feasibility of its early introduction into Texas elections.

#### Increased Terms of Office.

By every principle of good government, the chief executive of the State should be elected for four years instead of two. No matter how capable and adaptable a newly elected governor may be, it requires months for him to gain the knowledge of his office that is necessary for full efficiency. And then, he works at this full efficiency scarcely more than a year before he is subject to the harassing political demands of a campaign for re-election. Thus he is compelled to neglect his duties for a considerable length of time, at an expense which he can ill afford if he be a man of modest private means. And often the heat of the political struggle breeds acrimony and friction which disturbs the public mind and the government for prolonged periods, hampering and disrupting the administration. With a four-year term, he could apply his full time to constructive service of the State without any of the distraction and political buffeting that now beset him.

I urge that you adopt a joint resolution submitting a constitutional amendment to increase the length of the governor's term of office to four years.

For the same reasons, I suggest an amendment increasing the term of State representatives to four years. A member of the House hardly has time to familiarize himself with the process of government before the Regular Session expires, and after

that, unless extra sessions are called, his opportunity for service is ended. Likewise senators' terms should be extended from four to six years.

Indeed, it would be immensely beneficial to the State and its people to lengthen the terms of all State, district and county offices to four years, so that the people would be spared the irritation and expense of biennial elections, and the offices themselves would be spared the ills of neglect and the chaos of frequently changing administrations.

#### Highway Department.

During my administration the State Highway Department has continued the program of good roads development, begun when the present administration took office in 1927. I go back that far because I feel, with a sense of pride, as though my administration extended over that entire period, the first four years of which I served as chairman of the Highway Commission, and the last two of which I have continued my deep interest in the work and the program which I participated in launching.

Within the span of that six-year period Texas has been lifted out of the mud. Virtually every important route of travel in the State has been linked up with permanent paving or at least all-weather surfacing, so that the motorist can get to nearly any part of the State on a hard-surfaced road. This is a remarkable achievement, considering the vast mileage of the Texas highway system, comprising more than 18,000 miles of designated roads. The members of the Highway Commission and all the forces of the department are due great credit for their splendid work.

With the aid of emergency Federal appropriations, added to the regular allotments and county funds, the Highway Department has been able to accomplish even more than usual progress in the midst of the depression, and to give employment to more than the ordinary number of persons. However, the department's resources will be much less henceforth, due to the fact that the State will have to be repaying some of the extra Federal aid instead of receiving more, and because instead of receiving county aid it will be applying one-fourth of the gasoline tax

revenues to the payment of outstanding county bonds which were voted and sold to finance State highway construction. These losses will greatly slacken the progress of State highway building, and diminish the volume of employment and payrolls now afforded by road work.

In view of these facts, and the fact that the majority of Texas highway mileage yet lacks permanent improvement, and the fact that State growth is dependent to a great extent upon good roads, I feel confident that this legislature will fully appreciate the necessity of guarding against the further retarding of highway development.

#### Live Stock Sanitary Commission.

One of the most efficiently and economically conducted agencies of the State government during this administration has been the Live Stock Sanitary Commission. While its appropriation was materially reduced by the last Legislature, this commission has accomplished more than was ever done before in a similar period, in the way of tick eradication. It has also done much to prevent and control diseases of live stock, and to rid the State of predatory animals.

In 1931-32 there were 32,572,721 cattle dipped and inspected, as against 17,251,811 for 1929-30. A total of 26 counties were cleaned, made ready for release, and released from quarantine during 1931-32, as compared to 13 1-2 counties for the preceding biennium.

At the rate of progress it has set, the commission calculates that it can entirely finish the gigantic task of clearing the State of fever ticks by the latter part of 1934, there being only 13 1/2 small counties in East Texas, all in one block, yet to be worked. With the job this near completion, I trust that the legislature will give the commission all support necessary to wind it up as quickly as possible.

When that is accomplished, our chief danger of infestation will be from across the Sabine and Rio Grande rivers. If Louisiana does not soon "clean up," it may be advisable to fence the Sabine against cattle coming from that State.

Already a movement has been started looking to the fencing of the Texas side of the Rio Grande

against Mexican cattle. I believe it would be economy for the State government to join with the Federal government and the border land owners in running a fence along this river. It would not only prevent tick infestation but would reduce smuggling and thus decrease the number of border patrolmen needed.

#### Adjutant General's Department.

Under this administration, the State was spared the disgraceful spectacle of a lynching for a longer period of time than ever before as far as is known. For this fact the Adjutant General is due credit, for his promptness and effectiveness in anticipating and forestalling trouble by placing rangers in localities where such trouble was threatened. Every activity of the Adjutant General's Department has been carried on efficiently and economically.

#### Game, Fish and Oyster Commission.

Six years ago the Game, Fish and Oyster Commission began a program of conservation which has increased the supply of game to the greatest degree it has ever attained since the encroachment of civilization seriously threatened its extinction. Practically unrestricted hunting had been moving swiftly toward the extermination of game animals and birds in the State; another generation or so would have been deprived of the wholesome sports of field and wood, and of seeing the wild life in its native element.

Important work also has been done toward preserving and replenishing the fish of the tidal waters and fresh waters, oysters and migratory water fowl.

The expense of administering the Game, Fish and Oyster Department are defrayed from revenues derived from the sale of licenses, fish taxes, fines, boat registrations and royalties on sand and gravel taken from water beds.

The commission deserves commendation for its good work. I hope it will be continued.

#### Bureau of Labor Statistics.

The Bureau of Labor Statistics during the biennium demonstrated its usefulness to the working people of all classes. To alleviate the distress and suffering resultant from

the depression, the Governor's committee for the relief of unemployment was created and the Labor Commissioner was designated as secretary. This added considerably to the bureau's duties. Hundreds of laboring people who never before had found it necessary to ask the department's assistance sought and received aid and advice.

During the biennium the bureau handled 2142 wage claims, on which \$180,404 of past due wages were collected, the greatest amount ever recovered in a like period.

Through the joint efforts of the Bureau of Labor Statistics and the United States Farm Labor Service, 514,675 cotton pickers were placed in temporary employment during the last two seasons, and 23,264 cotton choppers were directed to farmers; all at an estimated saving to them of \$500,000 in placement fees.

Other activities carried forward by the bureau include enforcement of the Child Labor Act, the Nine Fifty-four Hour law for women, the Health, Safety and Comfort law, and others designed to safeguard the interests of working people.

#### Other Agencies of Government.

All departments and agencies of government for which the chief executive is responsible have functioned efficiently and progressively during my administration. The State Auditor and Efficiency Expert has done much in clarifying and simplifying the keeping of books and records in various departments; has audited their accounts and presented reports containing valuable information regarding the activities of government which never before was available; and has suggested plans and methods of improved practices which point

the way to a more efficient, economical and business-like operation. The Secretary of State has ably discharged the duties of that department; so have the Banking Commissioner, the Board of Insurance Commissioners, the Health Department, the Industrial Accident Board, the Board of Water Engineers, the Tax Commissioner, the Reclamation Engineer and other appointive agencies.

#### Conclusion.

My final word is a wish—nay, a prayer—for the welfare of the State which I have been privileged to serve as Governor; the State in which I was born and have lived my life. Although my service was rendered during the most critical period of the State's modern history, it has been rewarded by the deep satisfaction of accomplishment. I shall retire secure in the consciousness of having done my best for Texas, and with no regret save that I could not do more.

I have enjoyed the association of all those who have worked with me and about me, and appreciate the co-operation they have given me. I am deeply grateful for the loyalty and confidence of all my friends throughout the State.

It is my sincere hope that this Legislature will be able to surmount all the difficulties that beset its path; that the government of Texas may preserve its stability, and that all the people of this great State will soon emerge from the shadows of depression into the sunshine of happiness and prosperity.

Respectfully submitted,

(Signed) R. S. STERLING,

Governor.

Article IV, Section 9, of the Constitution, provides, in part, that "at the commencement of each regular session," the Governor "shall present estimates of the amount of money required to be raised by taxation for all purposes."

Under the provisions of the Uniform Budget Law, Acts 1931, Forty-second Legislature, Regular Session, Chapter 206, page 339, the State Auditor is required to compile a statement of the condition of the various funds at the close of the preceding fiscal year, and "an estimate of the maximum amount of revenue which may become available for appropriation by the Legislature during the ensuing biennium for which appropriations are to be made . . ." and the Governor and the Board of Control are required to submit a budget to the Legislature.

The figures relative to the General Revenue Fund compiled under the provisions of this Act are summarized in the following quotation from the State Auditor's report.



## GENERAL REVENUE FUND.

As used in this report, "balance or deficit" means, not the cash balance or deficit as disclosed by the books of the Comptroller and the Treasurer, but the actual deficit as at any particular date after taking into consideration contracts or commitments for purchases or services made as at that date, but remaining unpaid.

## Fiscal Year Ended August 31, 1932.

The deficit at the beginning of the fiscal year was .....	\$ 4,545,360.50
The improvement in the condition of the General Revenue Fund during the year amounted to.....	1,370,953.74
The deficit at August 31, 1932, was .....	<u>\$ 3,174,406.76</u>

For further information relating to the transactions affecting the General Revenue Fund for 1932, reference is made to Schedule 1.

## Fiscal Year Ending August 31, 1933.

Based only on amounts expected to be expended out of appropriations in effect as at August 31, 1932, the deficit at August 31, 1933, is expected to be \$2,854,171.33. It is expected, however, that the Regular Session of the Forty-third Legislature will make appropriations to cover its own expenses, the Governor's Deficiencies and the Comptroller's Judiciary Deficiencies. After these appropriations are made, the deficit as at August 31, 1933, is expected to be \$3,763,600.65.

The method of computing the foregoing figures is shown as follows:

Revenues to be collected for the year ending August 31, 1933, are estimated at.....		\$22,647,185.05
Appropriations for the year, including specific appropriations, amounts subject to transfer from the previous year's appropriations, and the estimated amounts of revenues appropriated to be used as collected, aggregate .....	\$24,109,330.81	
Of this amount, there is expected to be lapsed (not spent) .....	<u>1,782,381.19</u>	
Leaving to be paid out of the appropriations .....		<u>22,326,949.62</u>
The improvement in the financial position during this year being .....		\$ 320,235.43
The deficit at the beginning of the year being .....		<u>3,174,406.76</u>
The deficit at the end of the year, based on appropriations now in effect, is expected to be .....		\$ 2,854,171.33
Appropriations now in effect, however, do not include:		
Estimated cost of the Legislature to meet in January, 1933 .....	\$ 500,000.00	
Governor's deficiencies, for which appropriations have not yet been made.....	200,000.00	
Comptroller's judiciary deficiencies for which appropriations have not yet been made .....	<u>209,429.32</u>	<u>909,429.32</u>
After appropriations are made for the expenses of the Regular Session of the Legislature, the Governor's deficiencies,		

and the Comptroller's judiciary deficiencies, the deficit as at August 31, 1933, is estimated to be.....

\$ 3,763,600.65

Fiscal Year Ending August 31, 1934.

The revenues for the year 1934, under the laws in effect at October 1, 1932, are estimated at \$25,108,200. If the Constitutional amendment for the homestead exemption had failed to carry, the estimated amount of revenues available for specific appropriations, other than for interest on public debt and expenses of the Legislature, would have been \$19,674,662.96. It is believed that the loss to the General Revenue Fund on account of the homestead exemption amendment will be \$3,000,000, for the fiscal year 1934; and the remainder of revenues subject to specific appropriations for the maintenance of the State departments and institutions will be only \$16,674,662.96.

The method of determining the amounts subject to specific appropriations is outlined as follows:

Revenues for the year 1934, under the laws existing at October 1, 1932, are estimated at .....

\$25,108,200.00

The foregoing amount, however, will not be available in full to be appropriated in specific amounts for the support and maintenance of the various departments and institutions of the government. There must be deducted the following amounts:

Deficit as at August 31, 1933 .....\$ 3,763,600.65

Balances included as amounts to lapse as at August 31, 1933, that probably will be re-appropriated by the Legislature for the use of the departments and institutions collecting the funds, to be treated in the same manner as appropriated revenues .....

204,872.39

Amounts included in revenues above expected to be appropriated to the departments and institutions collecting the fees or other funds, for use as collected .....

887,100.00

Interest on the State debt, to be due as at August 31, 1933 (\$495,273 less amounts due to certain funds ordinarily transferred back to the General Revenue Fund, \$43,050) .....

452,223.00

Annual interest on the State debt. (\$140,091 less amounts due to certain funds ordinarily transferred back to the General Revenue Fund, \$14,350) .....

125,741.00

Total deductions .....

5,433,537.04

Amount that would have been subject to specific appropriations, other than for interest on the public debt and expenses of the Legislature, if the constitutional amendment for the homestead exemption had failed to carry .....

\$19,674,662.96

Since the homestead exemption amendment carried, it is estimated that the loss of ad valorem tax collections to the General Revenue Fund for the year 1934 will be .....

3,000,000.00

The amount subject to specific appropriation, other than for interest on the public debt and expenses of the Legislature (for maintenance of the State departments and institutions) is estimated at .....

\$16,674,662.96

Fiscal Year Ending August 31, 1935

The revenues for the year 1935, under the laws in effect at October 1, 1932, are estimated at \$25,165,700. If the constitutional amendment for the homestead exemption had failed to carry, the estimated amount of revenues available for specific appropriations, other than for interest on public debt and expenses of the Legislature, would have been \$23,629,659. It is believed that the loss to the General Revenue Fund on account of the homestead exemption amendment will be \$3,000,000 for the fiscal year 1935; and the remainder of revenue subject to specific appropriations for the maintenance of the State departments and institutions will be \$20,629,659.

The method of estimating the amounts subject to specific appropriations is outlined as follows:

The revenues for the year 1935, under the laws existing at October 1, 1932, are estimated at .....

\$25,165,700.00

The foregoing amount, however, will not be available in full to be appropriated in specific amounts for the support and maintenance of the various departments and institutions of the government. There must be deducted the following amounts:

Estimated expenses per diem, and mileage of the Forty-fourth Legislature..... \$ 500,000.00

Amounts included in revenues above expected to be appropriated to the departments and institutions collecting the fees or other funds for use as collected..... 910,300.00

Annual interest on the State debt \$140,091 less amounts due to certain funds ordinarily transferred back to the General Revenue Fund, (\$14,350) ..... 125,741.00

Total deductions ..... 1,536,041.00

Amount that would have been subject to specific appropriations, other than for interest on the public debt and expenses of the Legislature, if the constitutional amendment for the homestead exemption had failed to carry.....

\$23,629,659.00

Since the homestead exemption amendment carried, it is estimated that the loss of ad valorem tax collections to the General Revenue Fund for the year 1935 will be .....

3,000,000.00

The amount subject to specific appropriation, other than for interest on the public debt and expenses of the Legislature (for maintenance of the State departments and institutions) is estimated at .....

\$20,629,659.00

It will be noted from the foregoing statements that the total of the estimated available revenues, based on a 35 cent tax rate, for the years 1934 and 1935, is \$37,304,321.96.

The Board of Control, with the advice and counsel of the Governor, have so reduced the budget recommendations that it is estimated that if the appropriations passed by the Regular Session of the Forty-third Legislature do not exceed these recommendations, there will be a net balance in the Treasury at September 1, 1935, amounting to \$90,251.97.

#### AVAILABLE SCHOOL FUND.

The following is quoted from the State Auditor's report on the Available School Fund:

As used in the State Auditor's reports on revenue estimates, "balance or deficit" means not the cash balance or deficit as disclosed by the books of the Comptroller and of the Treasurer, but the deficit as at any particular date after taking into consideration liabilities remaining unpaid.

In the financial statements which follow, the unpaid per capita apportionment of \$3.50 at August 31, 1932, and the per capita of \$3.67 expected to be unpaid at the end of 1933, are treated as liabilities. On this basis of computation there was a deficit of \$4,807,460.42 at August 31, 1932, and there is expected to be a deficit of \$5,740,861.03 as at August 31, 1933. The deficit at the end of 1933 will be due largely to the action of the State Board of Education in apportioning \$16 per capita for the year with only \$13 of revenues available, according to the Comptroller's estimates, after paying the unpaid per capita of \$3.50 for 1932.

Although the State Auditor questions the power of the State Board of Education to obligate the State through the Available School Fund, for an amount greater than that which the Comptroller's estimate reasonably indicates will be available, and also questions the propriety of treating the unpaid portion of the per capita apportionment as a liability at the close of the fiscal year, it is considered proper in this report to state the financial position of the Available School Fund according to the practice of the State Board of Education.

The financial condition of the Available School Fund as at August 31, 1932, the estimated condition as at August 31, 1933, and the estimated funds available in 1934 and 1935 for textbooks and the per capita apportionment, are disclosed in the statements which immediately follow:

#### Fiscal Year Ended August 31, 1932.

The cash balance in the fund, according to the books of the Comptroller, as at August 31, 1932, was.....	\$ 921,764.02
The liability for textbooks purchased but not paid for at that date was.....	\$ 242,260.44
The apportionment made by the Board for the year, based on the scholastic census of 1,567,704 was \$17.50 per capita. Of this amount, only \$14 was paid, leaving \$3.50 per capita, which, according to the practice of the State Board of Education, is considered a liability against the fund. The unpaid per capita apportionment of \$3.50 amounted to .....	5,486,964.00
On this basis, the total liabilities against the fund amounted to .....	5,729,224.44
And the deficit in the fund at August 31, 1932, was .....	\$ 4,807,460.42

#### Fiscal Year Ending August 31, 1933.

Revenues for 1933 are estimated at.....\$25,522,515.00

Out of this amount, there has been set aside as a budget  
for purchase of textbooks..... 1,401,051.61

The remainder of the revenues being \$15.40 per capita, or \$24,121,463.39

The deficit at the beginning of the year, based on the prac-  
tice of the Board was..... 4,807,460.42

This left available for apportionment to the schools, based  
on the present year's census of 1,565,929, \$12.33 per  
capita, or an amount of..... \$19,314,002.97

The State Board of Education, however, has apportioned  
\$16 per capita, or ..... 25,054,864.00

Thus, if the apportionment to remain unpaid as at August  
31, 1933, is considered a liability against the fund, the  
deficit at that date will be \$3.67 per capita, or an  
amount of ..... \$ 5,740,861.03

#### Fiscal Year Ending August 31, 1934.

Revenues for the year 1934, under the laws in effect at  
October 1, 1932, are estimated at..... \$25,677,605.00

It is believed, however, that the passage of the constitu-  
tional amendment for homestead exemptions will deprive  
this fund of ..... 3,000,000.00

Leaving the revenues to be received by the fund at..... \$22,677,605.00

The Department of Education estimates that the cost of  
textbooks for 1934 will be..... 1,800,000.00

Thus, before allowing for the deficit inherited from the  
previous year, there is left \$13.33 per capita available  
for apportionment, amounting to..... \$20,877,605.00

The deficit at the end of the preceding year, however, was  
shown as \$3.67 per capita, or..... 5,740,861.03

So that if the entire deficit is absorbed in the fiscal year  
1934, the amount for apportionment will be only \$9.67  
per capita, or ..... \$15,136,743.97

#### Fiscal Year Ending August 31, 1935.

Revenues for the year 1935, under the laws in effect at  
October 1, 1932, are estimated at..... \$25,499,705.00

It is believed, however, that the adoption of the constitu-  
tional amendment for homestead exemptions will deprive  
this fund of ..... 3,000,000.00

Leaving the revenues actually to be received by the fund at..... \$22,499,705.00

The Department of Education estimates that the cost of  
textbooks for 1935 will be ..... 1,800,000.00

So that there will be available for apportionment for 1935  
an amount of \$13.22 per capita, or..... \$20,699,705.00

#### PENSION FUND.

##### Fiscal Year Ending August 31, 1933.

The State Auditor's report on the Pension Fund has not yet been pub-  
lished, but figures to be used in that report have been obtained from the  
State Auditor, and are summarized in the paragraphs immediately fol-  
lowing.

Due to the fact that the law now specifies amounts to be paid to pen-  
sioners, instead of providing that the funds on hand shall be pro rated,  
there is a deficit in the Pension Fund which has generally been increasing

since 1925, and under present conditions will increase through 1934 and 1935.

The deficit in the Pension Fund as at August 31, 1932, was ..... \$ 2,825,881.46

Under the present statutes, it is estimated that the expenditures for pensions in 1933 will be approximately ..... \$ 3,388,900.00

The revenues for 1933 are estimated at ..... 2,195,125.00

The excess of estimated disbursements over estimated revenues is ..... 1,193,775.00

So that the deficit as at August 31, 1933, is expected to be ..... \$ 4,019,656.46

#### Fiscal Year Ending August 31, 1934.

Expenditures for pensions for the year 1934, under present laws, are estimated to be ..... \$ 3,182,500.00

Revenues for the year 1934, under laws existing at October 1, 1932, are estimated at ..... \$ 2,233,250.00

It is estimated that the loss to the Pension Fund for the year 1934 on account of the passage of the Homestead Exemption Amendment will be ..... 600,000.00

So that the revenue actually to be received will be ..... 1,633,250.00

And the excess of disbursements over receipts will be ..... \$ 1,549,250.00

The deficit at the beginning of this fiscal year is estimated at ..... 4,019,656.46

Making the deficit at the end of the year.. \$ 5,568,906.46

#### Fiscal Year Ending August 31, 1935.

Expenditures for pensions for the year 1935, under present laws, are estimated to be ..... \$ 2,960,730.00

Revenues for the year 1935, under laws existing at October 1, 1932, are estimated at ..... \$ 2,233,250.00

It is estimated that the loss to the Pension Fund for the year 1935 on account of the passage of the Homestead Exemption Amendment will be ..... 600,000.00

So that the revenue actually to be received will be ..... 1,633,250.00

And the excess of disbursements over receipts will be ..... \$ 1,327,480.00

The deficit at the beginning of this fiscal year is estimated at ..... 5,568,906.46

Making the deficit at the end of the year.. \$ 6,896,386.46

#### COMMENT ON SITUATION.

The State government is faced with the question of whether or not it will live within its income, and with the question as to whether it will increase the levies of taxes upon its citizens or will balance the budget

in the General Revenue Fund, the Available School Fund and the Pension Fund by reducing expenditures to meet the reduced income. These questions are passed to the Forty-third Legislature and the incoming executive administration for decision.

### APPROPRIATIONS GOVERNOR'S OFFICE AND GOVERNOR'S MANSION.

Fiscal Year Sept. 1, 1930—Aug. 31, 1931.

#### Office.

Fund.	Appropriation.	Amount expended to Jan. 19, '31. (beginning Sterling admin.)	Amount expended up to date Sterling admin.	Balance.
Salary Gov. ....	\$4,000.00	\$1,537.61	\$2,462.39	
Lieut. Gov. while Act. Gov. ....	500.00			\$ 500.00
Secy. to Gov. ....	3,600.00	1,383.85	2,216.15	
2 Asst. Secy. ....	4,800.00	1,845.14	2,954.86	
Porter and files ....	1,320.00	507.36	812.64	
2 stenos. ....	3,600.00	922.57	2,386.45	290.98
Porter, joint, etc. ....	720.00	276.75	443.25	
Books & Stationery ....	900.00	81.03	686.23	132.74
Freight & Postage ....	810.00	200.74	300.00	309.26
Ice ....	32.40	5.41	15.89	11.10
Rewards, etc. ....	9,000.00	701.48	3,296.18	5,002.34
Trav. exp. Gov. ....	675.00		84.43	590.57

#### Mansion.

Maintenance Mansion & Grounds** .....	2,250.00	417.34	1,679.08	453.58
(sup. trans. \$300 from fuel, light, etc. fund) making total appro. ....	2,550.00			
Labor & employees Mansion .....	1,800.00	775.42	993.34	30.66
Fuel, light, ice, tel., water Mansion** .....	1,800.00			
(\$300.00 transf. to Maintenance) .....		476.35	929.05	94.60

\*\*Transfer mentioned authorized under provisions of Appropriation Bill.

### APPROPRIATIONS GOVERNOR'S OFFICE AND GOVERNOR'S MANSION.

Fiscal Year Sept. 1, 1931—August 31, 1932.

#### Office.

Fund.	Amount appropriated Fiscal year Sept. 1, 1931 Aug. 31, 1932.	Amount expended up to date	Balance.
Salary—Governor .....	\$4,000.00	\$4,000.00	
Lieut. Gov. while Acting Gov. ....	500.00		\$ 500.00
Secy. to Gov. ....	3,600.00	3,600.00	
2 Asst. Secy. ....	5,400.00	5,275.00	125.00
2 Stenos. ....	3,900.00	3,900.00	
Porter & files ....	1,320.00	1,320.00	
Porter, joint use, etc. ....	720.00	720.00	
Books & Stationery** .....	900.00	175.91	74.09
(650.00 transferred to Reward Fund end fiscal year)			

Fund.	Amount ap- propriated Fiscal Year Sept. 1, 1931 Aug. 31, 1932.	Amount ex- pended up to date	Balance
Freight and Postage** ----- (\$300.00 transferred to Reward Fund end fiscal year)	810.00	501.65	8.35
Ice -----	30.00	20.04	9.96
Payment of rewards, tel. & telep. etc. ----- (\$650.00, \$300.00 and \$550.00 transf. to this fund as itemized herein making total amount fund \$10,500.00)	9,000.00	9,669.62	830.38
Trav. expenses Gov.** & Lieut. Gov. serving as Gov. ----- (\$550.00 transf. to Reward etc., fund as above)	675.00	26.64	98.36
Mansion.			
Maintenance of Mansion & Grounds	2,500.00	536.03	1,963.97
Mansion, repairs, furniture, rugs, draperies, etc. ----- (This fund expended by Bd. Man- sion Supervisors)	7,300.00	7,190.12	109.88
Labor & Employees for Mansion	2,000.00	1,846.07	153.93
Fuel, lights, ice, tel., water -----	1,800.00	1,059.17	740.83

\*\*Transfers mentioned authorized under Appropriation Bill.

#### APPROPRIATIONS GOVERNOR'S OFFICE AND GOVERNOR'S MANSION.

Fiscal Year Sept. 1, 1932—Aug. 31, 1933.

#### OFFICE.

Fund.	Amount ap- propriated Fiscal Year Sept. 1, 1932 Aug. 31, 1933.	Amount ex- pended up to Jan. 7, 1933.	Balance January 7, 1933.
Salary—Governor -----	\$4,000.00	\$1,333.32	\$2,666.68
Lt. Gov. while Acting Gov. -----	500.00	-----	500.00
Secy. to Gov. -----	3,600.00	1,200.00	2,400.00
2 Asst. Secy. -----	5,400	1,750.00	3,650.00
2 Stenos. -----	3,900.00	1,300.00	2,600.00
Porter and files -----	1,320.00	440.00	880.00
Porter, etc. -----	720.00	240.00	480.00
Books and Sta. -----	900.00	149.12	750.88
Freight and Postage -----	810.00	301.05	508.95
Ice -----	30.00	4.55	25.45
Payment rewards, etc., telep. and teleg. -----	9,000.00	2,693.44	6,306.56
Trav. exp. Gov., etc. L. Gov. serv. as Gov. -----	675.00	-----	675.00

#### Mansion.

Maintenance Mansion & Grounds	2,500.00	36.87	2,463.13
Labor & employees Mansion	2,000.00	602.45	1,399.55
Fuel, light, ice, telep. & water	1,800.00	303.00	1,496.94



## S. C. R. No. 4.

Senator Moore sent up the following resolution:

Whereas, There is now pending before the Congress of the United States, a bill designated as "a voluntary domestic allotment plan" which has for its purpose primarily the allotment of the production of wheat, cotton, tobacco, hogs and other farm and ranch products; and

Whereas, The original bill provides in Section 10 the following:

Within thirty days after the date of approval of this act, the Secretary of Agriculture shall estimate as nearly as practicable and proclaim the percentage of the domestic production of wheat, cotton and tobacco for the calendar year 1933 and of the domestic production of hogs sold or to be sold during such year, that in the judgment of the Secretary will be needed for domestic consumption. Such percentage is hereinafter referred to as the domestic consumption percentage for the commodity, and shall be based on statistics of the Department of Agriculture and other federal agencies as to the average domestic consumption of the commodity for the five preceding years; and

Whereas, The original bill provides for the issuance of "adjustment certificates" and further provides:

The face amount of any adjustment certificate, per unit of the commodity covered thereby, shall be 42 cents a bushel for wheat, 5 cents a pound for cotton, 4 cents a pound for tobacco, and 2 cents a pound for hogs, less a pro rata share of administrative expenses as estimated by the Secretary of Agriculture; and,

Whereas, The bill is to all intents and purposes designed to place in the hands of the Secretary of Agriculture of the United States, absolute complete control and domination not only of the production of our agricultural products, but complete control of price fixing; and

Whereas, Such a policy is in direct conflict with the principles upon which the government of the United States was founded, is violative of every principle of the Democratic party and the traditions of the founders of our government; and

Whereas, It is an historic fact and a matter of common knowledge that all the past efforts of State and Fed-

eral governments to regulate the production and control prices have served to beat down prices and impoverish the producers of our raw products; a fair example of which is the experience of the Federal government in attempting to stabilize the price of cotton, wheat and other products during the past four or five years; and

Whereas, We believe that the bill above referred to will further beat down the prices of products and further impoverish the producers of the United States; now, therefore be it

Resolved by the Senate of Texas, the House of Representatives concurring, That we implore our Representatives and Senators in Congress to desist from further attempting to interfere with the natural economic laws, and further meddlesomeness, to control production and price fixing, and urge especially upon Congressmen and Senators to oppose the passage of this bill, and take from the neck of the producers of this nation the yoke of governmental control and dictation.

MOORE,	SMALL,
HOLBROOK,	MARTIN,
FELLBAUM,	PURL.
HORNSBY,	

Read and adopted by the following vote:

## Yeas—17.

Collie.	Oneal.
Cousins.	Pace.
Fellbaum.	Parr.
Holbrook.	Patton.
Hornsby.	Purl.
Martin.	Redditt.
Moore.	Regan.
Murphy.	Russek.
Neal.	

## Nays—7.

Blackert.	Sanderford.
Greer.	Stone.
Hopkins.	Woodul.
Poage.	

## Present—Not Voting.

DeBerry.

## Absent.

Beck.	Woodruff.
Duggan.	Woodward.

## Absent—Excused.

Rawlings.	Small.
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**Reason for Vote.**

On S. C. R. No. 4 I voted present and not voting for the following reasons: I do not consider it is my duty to tell the members of the National Congress how to vote specifically on measures that I have had no opportunity to study or consider. I feel that we will do well if we succeed in passing justly on all measures on which we are supposed to legislate.

DeBERRY.

**Senate Simple Resolution No. 8.**

Senator Purl sent up the following resolution:

Whereas, It has been learned that the Honorable Claude Pollard, who is a former Attorney General of Texas, is seriously ill in Ft. Worth; and

Whereas, General Pollard has for many years been keenly interested in the affairs of the State and of the people of Texas and has done much good for the betterment of both; and

Whereas, It is believed that we should keep in mind the accomplishments of these good men and make known our appreciation of their service to the State; therefore, be it

Resolved, That we wire General Pollard today, expressing to him our appreciation of his past service; our interest and sympathy in his present illness; and a hope for his speedy recovery.

PURL,	ONEAL,
HOLBROOK,	PACE,
BECK,	PARR,
BLACKERT,	PATTON,
COLLIE,	POAGE,
COUSINS,	RAWLINGS,
DeBERRY,	REDDITT,
DUGGAN,	REGAN,
FELLBAUM,	RUSSEK,
GREER,	SANDERFORD,
HOPKINS,	SMALL,
HORNSBY,	STONE,
MARTIN,	WOODRUFF,
MOORE,	WOODUL,
MURPHY,	WOODWARD,
NEAL,	

Read and adopted.

**Senate Simple Resolution No. 9.**

Senator Purl sent up the following resolution:

Be It Resolved by the Senate of Texas, That the Attorney General

be requested to furnish the President Pro Tem. of the Senate at the earliest date convenient a list showing the names and date of the expiration of the term of office of all appointments that have heretofore been confirmed by the Senate, now holding office, in order that we may definitely know what appointments may lawfully be made by Governor Ross S. Sterling and his successor, Governor Miram A. Ferguson, respectively.

PURL.

The resolution was read.

Senator Oneal moved to table the resolution. The motion was lost by the following vote:

Yeas—2.

Oneal. Poage.

Nays—26.

Beck.	Neal.
Blackert.	Pace.
Collie.	Parr.
Cousins.	Patton.
DeBerry.	Purl.
Duggan.	Redditt.
Fellbaum.	Regan.
Holbrook.	Russek.
Hopkins.	Sanderford.
Hornsby.	Stone.
Martin.	Woodruff.
Moore.	Woodul.
Murphy.	Woodward.

Absent.

Greer.

Absent—Excused.

Rawlings. Small.

**Executive Session Set.**

On motion of Senator Martin, the Senate voted to go into executive session tomorrow morning immediately preceding recess or adjournment.

**Senate Bill No. 1.**

The Chair laid before the Senate by unanimous consent the following bill:

By Senator Woodul:

S. B. No. 1, A bill to be entitled "An Act providing for the ordering of special elections to fill public offices and for fixing the time for the holding thereof; providing that special elections shall be ordered to fill vacancies in certain public offices; providing that special elections be

ordered to elect a person to fill the unexpired term and a person to fill the succeeding term in certain offices where the incumbent is re-elected and thereafter dies, resigns or for any other reason a vacancy occurs in the unexpired term, and no person is legally entitled to fill the term to which the former officer was elected to succeed himself; providing that an election shall be ordered upon acceptance of resignation of the incumbent of certain offices where he tenders a resignation effective at a future date, to select a successor to the incumbent for the unexpired term; providing that where the officer-elect of certain offices dies before qualifying or becomes ineligible to qualify for the office to which he was elected, an election to select a successor to the incumbent shall immediately be ordered; designating the Governor as the proper officer to receive and accept resignations of public officers where no other officer is authorized to receive same; repealing Art. 2952, Revised Civil Statutes of 1925; validating elections heretofore made where same would have been authorized under this Act; providing that if any section, paragraph or provision hereof be held unconstitutional or invalid the remaining portions of this Act shall not be affected but shall remain in force and effect; and declaring an emergency."

The rule requiring printed copies of the bill to lie on the desks of Senators one day was suspended by unanimous consent.

The bill was read second time and passed to engrossment.

On motion of Senator Woodul the constitutional rule requiring bills to be read on three several days was suspended and S. B. No. 1 was put on its third reading and final passage, by the following vote:

Yeas—29.

Beck.	Moore.
Blackert.	Murphy.
Collie.	Neal.
Cousins.	Oneal.
DeBerry.	Pace.
Duggan.	Parr.
Fellbaum.	Patton.
Greer.	Poage.
Holbrook.	Purl.
Hopkins.	Redditt.
Hornsby.	Regan.
Martin.	Russek.

Sanderford.	Woodul.
Stone.	Woodward.
Woodruff.	

Absent—Excused.

Rawlings.	Small.
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Read third time and finally passed by the following vote:

Yeas—29.

Beck.	Oneal.
Blackert.	Pace.
Collie.	Parr.
Cousins.	Patton.
DeBerry.	Poage.
Duggan.	Purl.
Fellbaum.	Redditt.
Greer.	Regan.
Holbrook.	Russek.
Hopkins.	Sanderford.
Hornsby.	Stone.
Martin.	Woodruff.
Moore.	Woodul.
Murphy.	Woodward.
Neal.	

Absent—Excused.

Rawlings.	Small.
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Adjournment.

On motion of Senator Cousins, the Senate, at 11:43 o'clock p. m., adjourned until 10 o'clock tomorrow morning.

### THIRD DAY.

Senate Chamber,  
Austin, Texas,  
January 13, 1933.

The Senate met at 10 o'clock a. m. pursuant to adjournment, and was called to order by President Pro Tem. Walter Woodul.

The roll was called, a quorum being present, the following Senators answering to their names:

Beck.	Oneal.
Blackert.	Pace.
Collie.	Parr.
Cousins.	Poage.
DeBerry.	Purl.
Duggan.	Redditt.
Holbrook.	Regan.
Hopkins.	Russek.
Hornsby.	Sanderford.
Martin.	Stone.
Moore.	Woodruff.
Murphy.	Woodul.
Neal.	Woodward.